REMARKS

Claims 27-54 are pending in the application. By this Amendment, Claims 47-54 are amended. Favorable reconsideration is respectfully requested in light of the following Remarks.

I.   The Claims Satisfy the Requirements of 35 U.S.C., Second Paragraph

The Office action rejects Claims 47-54 under 35 U.S.C. 112, second paragraph because of a typographical error in the preamble. By this Amendment, the preamble of Claims 48-54 is amended to correct the typographical error. Withdrawal of the rejection is respectfully requested.

II.   The Claims Define Statutory Subject Matter

The Office action rejects Claims 27-36 under 35 U.S.C. 101 asserting that the claimed invention is directed to non-statutory subject matter because the process is not tied to another statutory class or transform underlying subject matter to a different state or thing. The rejection is traversed.

Independent Claim 27 is tied to another statutory class, for example, a computing device as stated in the first step. Thus, the Office action is incorrect in asserting that the process is not tied to another statutory class. For this reason alone, Claim 27 defines statutory subject matter under *Bilski*.

In addition, Claim 27 transforms the underlying subject matter to a different state or thing. Specifically, steps (c) and (i) of Claim 27 transforms the non-dominated portfolio allocations archive committed in step (c) to an updated non-dominated portfolio allocations archive in step (i). For this additional reason, Claim 27 defines statutory subject matter. Withdrawal of the rejection is respectfully requested.

III.   The Claims Define Patentable Subject Matter

The Office action rejects Claims 27-54 under 35 U.S.C. 103(a) over Yao et al.

(WO 02/075650, hereinafter "Yao") in view of Josephson et al. (U.S. Patent No. 7,155,423, hereinafter "Josephson"). The rejection is respectfully traversed.

Independent Claims 27, 37 and 46 specify, *inter alia*, the feature of randomly drawing an initial population of individual portfolio allocations that are generated from a portfolio allocations archive by using a combination of linear programming and sequential linear programming algorithms using a computing device. Support for this feature, and other features of Claims 27, 37 and 46 can be found, for example, in Paragraphs *[00114]-[00131]* and Figures 3, 6 and 7.

The Office action asserts that this feature is taught in Claim 1 of Yao. After a careful review of Claim 1, there is no mention whatsoever of this feature. It is respectfully submitted that at least this feature is not disclosed, taught or suggested in the applied art.

For at least this reason, the Office action fails to establish a *prima facie* case of obviousness, and Claims 27, 37 and 46 are allowable over the applied art, taken singly or in combination. Claims 28-36, which depend from Claim 27, Claims 38-45, which depend from Claim 37, and Claims 47-54, which depend from Claim 46, are likewise allowable over the applied art, taken singly or in combination.

In view of the foregoing, it is respectfully submitted that the application is in condition for allowance. Favorable consideration and prompt allowance of the application is earnestly solicited.

Should Examiner Newton believe anything further would be desirable in order to place the application in better condition for allowance, the Examiner is invited to contact the undersigned attorney at the telephone number listed below.

It is believed that any additional fees due with respect to this paper have already been identified. However, if any additional fees are required in connection with the filing of this paper, permission is given to charge account number 07-0868 in the name of General Electric Company.

Respectfully submitted,

23 December 2008   /Peter J. Rashid/

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